

Service Date: January 17, 1978

BEFORE THE UTILITY DIVISION  
DEPARTMENT OF PUBLIC SERVICE REGULATION  
MONTANA PUBLIC SERVICE COMMISSION

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IN THE MATTER of the application )  
of STEELE WATER SUPPLY for Au- ) Docket No. 6536  
thority to Adopt Increased Water )  
Rates. ) Proposed Order No. 4408a  
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APPEARANCES

For the Applicant:

Mr. Homer Steele, 150 Steele Drive, Columbia Falls, MT  
59912

Mrs. Joyce Steele, 150 Steele Drive, Columbia Falls, MT  
59912

John B. Dudis, Attorney at Law, Kalispell, MT 59901

For the Protestants:

Geoffrey L. Brazier, Montana Consumer Counsel, 34 West  
Sixth Avenue, Helena, MT 59601

For the Commission:

James Paine, Staff Attorney

Dennis Crawford, Deputy Administrator, Utility Division

Before:

George Turman, Commissioner

STATEMENT OF THE CASE

The hearing on this application was held in the Columbia Falls City Council Chambers, Columbia Falls, Montana, on December 7, 1977. The Applicant's case was presented by Mr. and Mrs. Homer Steele and Mr. John B. Dudis, Attorney for the

Applicant.

Mr. Steele testified to the history, operation and present condition of the system. Continuing testimony by Mr. Steele dealt with the required capital improvements, financial condition of the company, and how the improvements would be accomplished and financed.

Applicant proposes to install a 5,000 gallon holding tank and the addition of either a 5HP pump or two (2) 3HP pumps to increase the water pressure in the system.

Applicant testified that the company has not paid out any wages during the twenty-nine (29) years of operation. That any operating deficit had to be made up out of his own funds. Applicant testified that no one has ever been shut-off because of non-payment of their water bill.

Public witnesses appearing at the hearing complained of poor water pressure or no water at times, others testified they were not opposed to the rate increase, if the water pressure was improved. There was testimony received in support of the higher rates.

Mrs. Steele's testimony dealt with her involvement in the bookkeeping for the utility.

#### FINDINGS OF FACT

1. The Steele Water Supply is a public utility serving

customers within the State of Montana with water service.

2. On September 27, 1977, the Montana Public Service Commission officially accepted as filed the petition of the

Steele Water Supply (Applicant) for increased rates for water service. A notice of proposed hearing was published as a legal advertisement in the Daily Inter Lake and the Hungry Horse News. Protests and requests for a hearing were received by the Commission.

3. A hearing was scheduled and a notice of public hearing was published in the above newspapers.

4. A public hearing was held in the Columbia Falls City Council Chambers, Columbia Falls, Montana, at 10:00 a.m. on Wednesday, December 7, 1977.

5. Applicant serves approximately thirty (30) customers with water service.

6. The proposed increased rates will generate an additional annual revenue of approximately \$2,500.00.

7. Applicant alleges that the rate increase is necessary to offset increased operating expenses and to finance needed improvements to the system.

8. The estimated cost of the improvement program is \$5,370.00.

9. The improvement program is scheduled to start in the spring and be completed during the fall of 1978.

10. No records are available to determine the original cost of the utility. No records were maintained relative to plant costs or installation costs. The water system was

installed in 1949 by Mr. Homer Steele and his father.

2. The Commission encourages the Applicant to take whatever steps are necessary in order to improve its record keeping system before any future rate increase is sought.

3. That the Commission be notified when construction work begins on the improvement program.

4. That quarterly progress reports on the improvement program be made to the Commission.

5. Records will be maintained in such a manner that costs attributed to the improvement program will be readily available to the Commission.

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This is a proposed order. Any party shall have the opportunity to file exceptions to this initial decision, present briefs and make oral arguments before the entire Commission, provided such exceptions, briefs and requests for oral argument are presented to this Commission within thirty (30) days from the service date of the proposed order.

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George Turman, Commissioner  
Hearing Examiner

CONCLUSIONS OF LAW

1. The Applicant's water rates are subject to the jurisdiction of this Commission under Section 70-101 R.C.M. 1947, et seq.

2. The increased revenues approved herein are necessary to continue operation of the system. The rate levels are reasonable and just.

ORDER

1. The authorized changes to the present tariff are as follows:

The present and proposed monthly rates are:

Commercial and Residential Water

	Present	Proposed
Residential	\$5.00	\$10.00
Commercial	\$5.00	\$15.00
Apartment per unit	\$3.50	\$10.00
Sprinkling privilege		\$ 5.00 per month for months of June, July and August
Sprinkling for gardens or laws on vacant lots		\$15.00 per month An additional charge per month, per lot for June, July and August

Prompt Payment Discount: \$00.00

Minimum Bill: \$10.00

Special Terms and Conditions: All water bills to be paid by the 15th day of the month.